

Congress of the United States
Washington, DC 20515

July 26, 2019

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

Dear Chairman Powell:

The Federal Reserve is the nation's central bank, responsible for conducting monetary policy, overseeing our financial institutions, and maintaining the stability of our financial system. The tasks at hand have far-reaching implications and a significant impact on our various communities. In a nation and an economy as diverse as ours, much more needs to be done to ensure that governance roles in the Federal Reserve System reflect and represent the public, especially regarding the inclusion of Hispanics. The Congressional Hispanic Caucus (CHC) urges you to consider, and work towards rectifying, the lack of diversity among your leadership.

As of the date of this letter, the websites of the regional Federal Reserve Banks indicate that there were only four Hispanics among the 107 filled seats on the Regional Banks Boards of Directors. Just two Hispanics serve as Class C Directors and you have direct authority over these appointments. There has never been a Hispanic President of a Federal Reserve Bank. In 2019, this is not acceptable. Placing Hispanics in trusted public roles is vital and sets a meaningful precedent at a time when the political and civil rights environment for Latinos has deteriorated so dramatically.


Members of the House of Representatives have consistently addressed the question of diversity within the Federal Reserve. In response to one of these questions in your testimony before the House you stated, "We make better decisions when we have diverse voices around the table—both at the Board of Governors and at the Reserve Banks...We've seen what works. It's about recruiting. It's about going out of your way. It's about bringing people in. Once they're in, it's about giving them paths for success. And it's about having an overall culture and company that is very focused on diversity and sticks with that focus for a long period of time. That works." This recognition must be coupled with bold leadership and action. We encourage you to take a stronger leadership role promoting diversity within the Fed, specifically at the governance level. Towards that end, we ask that you answer the following questions about existing efforts to diversify your leadership:


1. What steps are you taking to ensure greater diversity among Class C Directors in terms of their race and ethnicity? What kind of oversight is in place to ensure that there is greater diversity among Class C Directors? Is there a formal process in place to ensure greater diversity among Class C Directors in terms of their race and ethnicity?


2. How are you encouraging regional Federal Reserve banks to include one or more community advisors to participate closely in the interviews and vetting of candidates, in a manner consistent with the Federal Reserve Act?
3. How are you ensuring that Federal Reserve Banks actually interview a diverse group of candidates for the position of President when they become open? Can you share how many diverse candidates have interviewed for the position of President? Is there a formal process in place to ensure that there is a diverse group of candidates for the position of President?
4. What kind of training, retention and promotion programs and policies do you have in place to facilitate career growth of diverse junior staff?


The CHC stand ready to offer ongoing advice and support about how the Fed can better represent Hispanics in the governing bodies of the Federal Reserve System and create a more diverse and inclusive environment. We look forward to hearing the steps you are taking towards embracing diversity as you fulfill your commitment of truly representing the public.


Sincerely,



Rep. Joaquin Castro
Chair
Congressional Hispanic Caucus


Rep. Ruben Gallego
First Vice Chair
Congressional Hispanic Caucus


Rep. Nanette Diaz Barragan
Second Vice Chair
Congressional Hispanic Caucus


Rep. Adriano Espaillat
Whip
Congressional Hispanic Caucus


Senator Bob Menendez
Co-Chair of Diversity Task Force
Congressional Hispanic Caucus


Rep. Tony Cardenas
Co-Chair of Diversity Task Force
Congressional Hispanic Caucus



Rep. Veronica Escobar
CHC Freshman Representative
Congressional Hispanic Caucus